

Nebraska Supreme Court

Benefits Package

Nebraska Supreme Court System

BENEFITS

LIFE INSURANCE

All permanent full-time employees and permanent part-time employees who work half time or more are eligible for state-paid life insurance under a group program.

All permanent full-time employees of the Nebraska Court System receive \$20,000 term life insurance free. Optional insurance for employees and dependents is available at the employee's expense. The decision for this optional insurance needs to be made within the first 30 days of employment or during open enrollment periods.

Employees should consult the Administrative Office for details on insurance coverage, options, and costs.

HEALTH INSURANCE

All permanent full-time employees and permanent part-time employees who work half time or more are eligible for medical and hospitalization coverage under group plans. Costs differ among the plans according to coverage.

The choices for employee health insurance need to be made within the first 30 days of employment or during annual open enrollment periods.

Employees should consult the Administrative Office for more details on health insurance coverage, options, and costs.

The state also offers voluntary dental and vision insurance programs for employees. The premiums for this coverage are paid entirely by the employee, and there is no State contribution. Employees should consult the Administrative Office for details on coverage, options and costs.

FLEXIBLE BENEFIT PROGRAM

The flexible benefit program lets employees pay for benefits with dollars earned before taxes are paid (i.e., pretax). If employees are currently enrolled in the state's medical, HMO or dental plans, the employees' share of the costs of these benefits are already paid on a pretax basis. This means:

1. The premiums are deducted from employees' pay before payroll taxes are calculated,
2. The amounts employees are taxed on are reduced and therefore,
3. Employees' take home pay is more.

Although pretax dollars deposited to the reimbursement accounts reduce employees' income for tax purposes, they do not affect the salary used to figure other salary-related benefits such as disability and retirement.

Employees can use this same idea to pay for out-of-pocket medical, dental, and vision care expenses and also to cover work-related dependent care expenses through two benefits, a Medical Care Reimbursement Account and a Dependent Care Reimbursement Account.

Medical Care Reimbursement Account

This account lets employees pay themselves back with pretax dollars for health care expenses not covered by any medical and dental plans they may have. Expenses can include such items as deductible and coinsurance amounts, routine physical exams, orthodontia, and hearing and vision care expenses which are not otherwise covered. For a complete list contact the Administrator's Office.

Once a year employees can choose the amount they want to set aside for predictable, eligible expenses. The amount employees set aside is prorated over each pay period for that year and put into accounts before any taxes are applied.

As employees incur eligible expenses, they submit a request for reimbursement from their accounts (accompanied by itemized bills or explanations of benefits (EOB) from their medical plans). Provided the expenses qualify for tax-free treatments under IRS regulations, the requests will be processed and the employees will be reimbursed with "tax-free dollars."

Periodic statements on employees' account balances will be issued so employees know what is available to them for reimbursement.

Dependent Care Reimbursement Account

This account is similar to the Medical Care Reimbursement Account. After employees decide how much to set aside for dependent care, employees need to submit itemized statements signed by caregivers when they claim reimbursement.

Employees can deposit funds in accounts to pay for day care expenses for these dependents:

- Children under age 13 who qualify as dependents on federal income tax returns.
- Other dependents (for income tax purposes) who are physically or mentally incapable of self-care.

Care in employees' homes, as well as day care charges are covered. However:

- The dependent being cared for must spend at least eight hours a day in employees' homes. This means institutional care (i.e., for someone living in a nursing home) is not eligible for reimbursement.
- Care cannot be provided by persons employees claim as dependents or any children of employees under 19.
- If employees are married, their spouses must also work outside the home, be full-time students, or be incapable of self-care.

In setting up a Dependent Care Reimbursement account employees should consider the following:

- Employees should not set aside more in their reimbursement accounts than they are reasonably sure they will spend during the year.
- Employees should consider whether they should take the Federal Tax Credit or participate in the Dependent Care Reimbursement account:
 - Employees can use up to \$2,400 annual expenses to calculate the tax credits (\$4,800 for two or more dependents).
 - The Dependent Care Reimbursement account allows employees to fund up to \$5,000 on a pretax basis (\$2,500 if employees are married and file separate tax returns).
 - Generally, if employees' adjusted gross incomes are greater than \$22,000 per year, the tax treatment may be more favorable with the reimbursement account.

Any amount reimbursed to you through the medical care spending account must not be claimed under the Federal tax credit.

IRS rules will not allow the return of unused funds to employees. Therefore employees should not set aside more in their reimbursement accounts than they are reasonably sure they will spend during the year. Unused funds from one reimbursement account cannot be used in the other reimbursement account.

CREDIT UNION

Permanent employees of the Nebraska Court System are eligible to join the Nebraska State Employees Credit Union. The credit union is a cooperative savings and loan association providing members an opportunity to save regularly through payroll deductions. Credit union members also are eligible to borrow money for approved projects at a reasonable rate of interest. Share draft accounts which enable an employee to write checks on a savings account are also available, as are traveler's checks.

The credit union has two offices to serve members. They are located at 330 South 16th Street in Lincoln and at the Beatrice State Developmental Center in Beatrice. The main Lincoln office telephone number is 402-471-2561.

EMPLOYEE ASSISTANCE PROGRAM

All employees of the Nebraska Court System and their families are eligible for services offered by an Employee Assistance Program. This program provides counseling and problem-solving assistance, resource information, and when appropriate, referrals to other community resources. In a confidential interview with the employee, trained staff from this program will help identify the problem and then determine how services in the employee's

particular community will be provided. Help can be provided for many types of problems including alcoholism, drug abuse, parent-child relationships, marital, financial, and legal difficulties.

Involvement in the Employee Assistance Program will not jeopardize an employee's job in any way. All services provided by the program are strictly confidential, and no one at an employee's work place or the Administrative Office will ever be notified if an employee or member of an employee's family uses the Employee Assistance Program.

Information concerning this program will be sent to all employees on a regular basis.

GROUP LONG-TERM DISABILITY PLAN

The state has arranged with the Hartford Life and Accident Company to provide a group long-term disability insurance program to employees of the state. This program is voluntary, and the entire cost of this insurance is the employee's responsibility. Employees should contact the Administrative Office for information regarding enrollment periods, benefits, costs, and other provisions of this program.

WORKERS' COMPENSATION

In cases of work-incurred injuries, illness, disabilities, or death, the State of Nebraska provides protection for all employees (and their families in case of death) under the workers' compensation law.

Eligibility for workers' compensation benefits is determined on the basis of an accurate report of the incident, given to a supervisor as soon as practical, with subsequent notification to the State Claims Board and the Workers' Compensation Court.

Medical expenses incurred in the treatment of a compensable injury or illness are acknowledged upon receipt of documented medical statements supporting the claim under consideration.

The amount of compensation is determined and calculated on the basis of $66\frac{2}{3}$ percent of the gross weekly wage earned at the time of the injury or illness, up to a maximum of \$200 per week.

Among other benefits available under workers' compensation are rehabilitation, total and partial disability allowances, and death benefits. Employees with further questions should contact their supervisor.

RETIREMENT

Employees of the Nebraska Court System are eligible for participation in the State Employees Retirement System. The following is a brief description of the retirement system

which covers most employees in the Nebraska Court System. Complete information will be sent to all employees at the time of enrollment.

State Employees Retirement System

The State Employees Retirement plan began on Jan. 1, 1964. There are two different benefit elements, a **Defined Contribution (DC) benefit** and a **Cash Balance (CB) benefit**. Effective January 1, 2003 all employees who begin participation will be enrolled in the Cash Balance benefit. All active employees in the Defined Contribution benefit were given the *one time only* choice of remaining in the DC plan or transferring to the Cash Balance benefit.

Under the Cash Balance benefit:

- Employees contribute 4.8% of annual salary.
- The state contributes 156% of employees' contributions.
- Employer and employee funds are held in a trust, and invested by professional fund managers under the direction of the Nebraska Investment Council. The interest credit rate is not determined by investment performance, but established using the federal mid-term rate plus 1.5%. This interest credit rate will not go below a floor (minimum) rate of 5%.
- Vesting occurs after 2 years of plan participation.
- A state employee may retire as early as age 55.
- There are multiple disbursement options available at retirement.
- The agency administers the plan, with the record keeping performed by an outside third party.
- Plan expenses are deducted from the retirement fund.

Under the Defined Contribution benefit:

- Employees contribute 4.8% of annual salary.
- The state contributes 156% of employees' contributions.
- Members make their own investment decisions. There are three pre-mixed fund choices for investing employer contributions and 11 fund choices for employee contributions.
- The rate of return is based on investment performance.
- Vesting occurs after 2 years of plan participation.
- A state employee may retire as early as age 55.
- There are multiple disbursement options available at retirement.
- The agency administers the plan, with the record keeping performed by an outside third party.
- Plan expenses are deducted from the retirement fund.

Membership

Mandatory Membership. A permanent full-time employee must enroll in the Nebraska State Employees Retirement System (NSERS) on their date of hire.

Once membership is elected, the employee is subject to all provisions of the plan and may not withdraw or cancel participation until employment is terminated.

Enrollment

Enrollment forms will be sent to him/her for completion upon hiring. The employee should return the form to the Administrative Office.

Contributions will be withheld from wages whether or not an employee completes the forms. Before payment from the plan can be made to an employee at retirement or termination, a completed beneficiary form must be on file in the NSERS office.

Retirement Education Programs

Retirement education and financial planning programs are available for employees who are members of the retirement system. The program includes discussions on the retirement system, financial planning and budgeting as well as any other planning information valuable to employees before they reach fifty. Preretirement planning programs are also available for employees fifty and older. Eligible employees may attend these programs without taking leave, however, other expenses (travel, registration fees, etc.,) are the responsibility of each employee. If an employee chooses to attend a program more than once, vacation leave will need to be taken. An employee may not attend a program more than once per fiscal year. Information will be sent to employees regarding the times and locations.

Questions regarding retirement should be addressed in writing to:

Nebraska State Employees Retirement System
P.O. Box 94816
Lincoln, NE 68509
or by calling (402) 471-2053.